

EXHIBIT 16
DATE 4.2.07
SB 242SIMKINS
HOLDINGS, LLC

March 30, 2007

Honorable Members of the Taxation Committee
Montana State House of Representatives

RE: Senate Bill 242 -Tax Records Confidentiality

Dear Committee Members:


I am writing this letter in order to express my strong opposition to Senate Bill 242, which would take away the tax records confidentiality for certain publicly- traded companies. As a Montana businessman working in both Bozeman and Big Sky and as a former tax attorney, I oppose this bill for a number of reasons. These reasons are as follows.

1. Although my companies are not publicly traded, I believe that enactment of this bill will start this state on a policy course of action that will result in more and more legal entities, including non-public companies losing their tax information confidentiality protection. The disclosure of the confidential information will in my opinion be a travesty due to the fact that the information disclosed could be used by trade competitors and others in ways that are very detrimental to the companies. In addition, it is simply grossly unfair to force people to disclose the most confidential tax information on their tax returns under the threat of criminal penalty for refusal to do so and then have that information disclosed publicly to the detriment of the tax filers.
2. The enactment of this bill will send a very strong anti-business message to companies that may be thinking about entering the Montana market place or are planning an expansion here. I can imagine many companies opting to stay away from this market if one of the conditions for entering it is to give up its rights to non-disclosure of its confidential tax information. It also provides a strong disincentive for Montana based companies from ever becoming public held as the loss of tax information confidentiality is too high of a price to pay to go public.
3. As a former tax attorney, I believe that this legislation may violate the confidentiality laws of the Internal Revenue Code and the confidentiality laws of the other states. If so, this would be a disaster for Montana tax law administration because so much of that administration relies on the sharing of tax information from the IRS and the departments of revenue from all of the other states in this country. I strongly believe that we cannot take the risk that this change in

Montana law would bring this state into non-compliance with all of these confidentiality provisions of federal and states laws. At the very least, I would strongly recommend that professional opinions be sought from qualified tax attorney practitioners about whether this bill's provisions violate these confidentiality provisions before the Committee takes any votes on the bill.

Thank you members of the House Taxation Committee for the opportunity to submit these comments on Senate Bill 242.

Sincerely,



William G. Simkins
Manager